

Attorney or Party Name, Address, Telephone & FAX Nos., State Bar No. & Email Address D. EDWARD HAYS, #162507 ehays@marshackhays.com CHAD V. HAES, #267221 chaes@marshackhays.com LAILA MASUD, #311731 lmasud@marshackhays.com MARSHACK HAYS LLP 870 Roosevelt Irvine, California 92620 Telephone: (949) 333-7777 Facsimile: (949) 333-7778 <input type="checkbox"/> Individual appearing without attorney <input checked="" type="checkbox"/> Attorney for: Chapter 7 Trustee, JERRY NAMBA	FOR COURT USE ONLY
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UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA - NORTHERN DIVISION	
In re: MAHMOOD JAFROODI, Debtor(s).	CASE NO.: 9:19-bk-11918-MB CHAPTER: 7 NOTICE OF SALE OF ESTATE PROPERTY

Sale Date: 02/10/2022	Time: 11:30 am
Location: 1415 State Street, Santa Barbara, CA 93101	

Type of Sale: ☒ Public ☐ Private **Last date to file objections:** 01/27/2022

Description of property to be sold: See attachment.

Terms and conditions of sale: See attachment.

Proposed sale price: \$ 1,000,000.00

Overbid procedure (if any):

See attachment.

If property is to be sold free and clear of liens or other interests, list date, time and location of hearing:

N/A

Contact person for potential bidders (include name, address, telephone, fax and/or email address):

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Date: 01/20/2022

ATTACHMENT TO NOTICE OF SALE OF ESTATE PROPERTY

Description of Property to be Sold

Subject to bankruptcy court approval, Trustee has entered into a proposed sale agreement and release of claims to avoid the expense, inconvenience, and uncertainties of further litigation regarding certain Litigation Claims, the Contempt Order, the Turnover Order, and the Disputed Claims of Exemption. The subject Litigation Claims relate to the Estate's interest in all claims that could be asserted against Debtor, Jafroodi Properties, LP ("JPLP"), American Horticultural Supply ("AHS"), the Jafroodi Family Irrevocable Trust ("Irrev. Trust") Ms. Darlene Tardiff ("Ms. Tardiff"), and Omead Jafroodi ("Omead") (collectively, Debtor, JPLP, AHS, Ms. Tardiff and Omead are referred to as "Potential Avoidance Defendants").

Trustee alleges Debtor engaged in a series of transfers ("Transfers") based on advice received from Mr. Kaylor including transferring all assets owned by the Family Trust into a "Private Retirement Plan" ("PRP") including his 50% interest in AHS and his interests in JPLP. Debtor also terminated the PGM PSP and set-up a self-directed IRA at Sunwest. Instead of rolling the PGM PSP funds into the Sunwest IRA, Debtor transferred \$2 million to the Irrev. Trust. The Irrev. Trust then executed a promissory note in favor of Debtor's personal assistant, Darlene Tardiff, in the amount of \$2 million. Additional funds were transferred to the Irrev. Trust. The Irrev. Trust then paid \$3.5 million to Farm Credit West to satisfy the note secured by a deed of trust recorded against commercial real property located at 887 Mesa Road, Nipomo, California 93444 ("Nipomo Property"). Title to the Nipomo Property was held by Jafroodi Properties, LP. The payment to Farm Credit West resulted in Jafroodi Properties, LP owning the Nipomo Property free and clear of any third-party liens. As part of this series of transfers and transactions, Ms. Tardiff executed a \$2 million promissory note in favor of Debtor's IRA.

Trustee alleges that the use of IRA funds to satisfy the loan secured by the Nipomo Property was a prohibited transaction because Ms. Tardiff was an insider and person disqualified from engaging in transactions with Debtor's IRA. As a result, Trustee believes that the IRA may

have lost its exempt status. But, the primary asset held by Debtor's IRA is now the \$2 million note owed by Ms. Tardiff who does not have any significant assets other than the \$2 million note owed to her by the Irrev. Trust.

Based on these allegations, Trustee contends that (1) the Estate has grounds to disallow the claimed exemption in the IRA; (2) that the estate has litigation claims against the Potential Avoidance Defendants including Ms. Tardiff, the Irrev. Trust, and Jafroodi Properties, LP; (3) that the estate is entitled to recover the Nipomo Property or obtain a judgment in the amount of the Transfers to Jafroodi Properties including those used to satisfy liens against the Nipomo Property. Trustee further alleges that the Transfers were made with actual intent to hinder, delay, or defraud creditors and that no consideration was received. Trustee further contends that the PRP does not qualify as a retirement plan under the Internal Revenue Code and that such plan does not qualify for any exemption under federal or state law. All of the Estate's claims are referred to as "Litigation Claims."

Terms and conditions of sale

Sale Price: Buyer shall pay \$1,000,000.00 ("Sale Price"). The Sale Price shall be paid as follows: \$250,000 on or before ninety (90) days from entry of the Final Order approving this Agreement, with the balance due on or before 180 days from entry of the Final Order approving this Agreement;

Express conditions to the sale include: (1) entry of a Bankruptcy Court Order approving the sale free and clear of all liens; (2) upon payment of the Sales Price Trustee and Debtor shall file a stipulation jointly requesting that the Court vacate the Contempt Order; (3) it is Trustee's intention that the Sale Price shall result in the Turnover Order being deemed fully satisfied. Upon payment of the Sales Price Debtor shall file a motion to voluntarily dismiss his motion for reconsideration; (4) upon payment of the Sales Price, Trustee shall conclude the meeting of creditors. Trustee represents that he will not file any objections to any claims of exemption based upon the receipt of the Sale Price, and that Debtor's claims of exemption as filed with the bankruptcy court as of the date of this agreement shall be allowed as final; (5) the payment of the

Sales Price includes consideration for the release of any claims that could potentially be raised by any party to disallow the claimed exemptions, and the property exempted shall not be liable during or after the case for any pre-petition debt as set forth in 11 U.S.C. § 522(c). Debtor represents and warrants that he shall not seek to claim any exemption in the Sale Price paid to Trustee and forfeits any right to any such exemption that may exist; and (6) Pursuant to 11 U.S.C. § 727(a)(10), Debtor shall execute a written waiver of discharge;

Overbid Procedure

1) **Auction**. The proposed sale of the Litigation Claims is subject to overbid at an auction conducted during the hearing on the Motion seeking approval of this Agreement. An auction shall only be conducted if a Qualified Overbid (as defined below) is timely received.

2) **Overbids**. A Qualified Overbid must (i) be submitted in writing to the Trustee by the second business day prior to the hearing on the Motion, (ii) be in the total amount of no less than \$1,005,000 (the Sale Price, plus a \$5,000 initial overbid) with proof of funds and ability to close, (iii) be conditioned only upon entry of an order by the Bankruptcy Court granting the Motion, (iv) provide for payment of a \$100,000 deposit by cashier's check or wire transfer to Trustee at least two business days prior to the sale hearing, and (v) provide for payment of the balance of any successful bid and closing within two business days after the hearing. The \$100,000 deposit shall be non-refundable if Trustee accepts and the Court approves such bid but such bidder does not timely close. All payments must be made payable to "Jerry Namba, Chapter 7 Trustee" and delivered to Trustee's counsel.

3) **Minimum Increment**. If a Qualified Overbid is timely received by Trustee and an auction is conducted, then any subsequent cash bids shall be no less than \$5,000 higher than the immediately preceding bid. Only Debtor and any party submitting a Qualified Overbid or in Trustee's business judgment, may participate in the Auction.

4) **Successful Bidder and Back-up Bidder.** At the close of the auction, the Trustee shall designate the party submitting the best bid (“Best Bid”) as the Successful Bidder. The parties acknowledge that the bids may be non-conforming. The Trustee may designate, with the consent of such party, any other bidder who timely submitted a Qualified Bid as a Back-up Bidder, who shall submit and be bound by an Alternative Bid. The Successful Bidder must pay, at the closing which date shall occur no later than 60 days after the hearing on the Motion, all amounts reflected in the Best Bid in cash and such other consideration as agreed upon

5) **Consent To Bankruptcy Court Jurisdiction.** All Qualified Bidders shall be deemed to have consented to the core jurisdiction of the Bankruptcy Court, to have the Bankruptcy Court fully and finally decide any dispute arising from or related to the sale of the Litigation Claims, and to have waived any right to jury trial in connection with any such disputes.

6) **Conditioned On Bankruptcy Court Approval.** Any sale of the Litigation Claims is conditioned upon entry of an order by the Bankruptcy Court granting this Motion.

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:
870 Roosevelt, Irvine, CA 92620

A true and correct copy of the foregoing document entitled: **NOTICE OF SALE OF ESTATE PROPERTY** will be served or was served **(a)** on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On **January 20, 2022**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

☐ Service information continued on attached page

2. SERVED BY UNITED STATES MAIL: On **January 20, 2022**, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

DEBTOR

MAHMOOD JAFROODI
1186 CORTE TULAROSA
CAMARILLO, CA 93010-7449

☒ Service information continued on attached page

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL: Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on **January 20, 2022**, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

DUE TO THE CORONAVIRUS (COVID-19) OUTBREAK, JUDGE BARASH WILL TEMPORARILY SUSPEND HIS PROCEDURES FOR SERVICE OF JUDGE'S COPIES. UNTIL FURTHER NOTICE, ON ALL MATTERS EXCEPT FOR EVIDENTIARY HEARINGS, NO JUDGE'S COPIES ARE REQUIRED UNLESS SPECIFICALLY REQUESTED BY CHAMBERS.

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

January 20, 2022
Date

Chanel Mendoza
Printed Name

/s/ Chanel Mendoza
Signature

1. **TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):** CONTINUED:

- **ATTORNEY FOR DEBTOR MAHMOOD JAFROODI:** Jessica L Bagdanov jbagdanov@bg.law, ecf@bg.law
- **ATTORNEY FOR CREDITOR AMERICAN HORTICULTURAL SUPPLY, INC. AND OMEAD JAFROODI:** Theodore A Cohen tcohen@sheppardmullin.com, amontoya@sheppardmullin.com
- **ATTORNEY FOR DEBTOR AND DEFENDANT MAHMOOD JAFROODI:** Ryan Coy rcoy@bg.law, ecf@bg.law
- **ATTORNEY FOR CREDITOR FARM CREDIT WEST, FLCA:** Michael J Gomez mgomez@frandzel.com, dmoore@frandzel.com
- **ATTORNEY FOR PLAINTIFFS CAROLINA RAMIREZ, LINEY SILVA, LUIS ANGEL COLUNGA GOCABAR, MARGARITA HERNANDEZ, NELLY GONZALES, AND RIGOBERTO SAAVEDRA:** Cecilia Guevara Langberg cguevarazamora@crlaf.org, cguzman@crlaf.org
- **ATTORNEY FOR TRUSTEE JERRY NAMBA (TR):** Chad V Haes chaes@marshackhays.com, chaes@ecf.courtdrive.com; cmendoza@ecf.courtdrive.com; cmendoza@marshackhays.com; kfrederick@ecf.courtdrive.com
- **ATTORNEY FOR TRUSTEE JERRY NAMBA (TR):** D Edward Hays ehays@marshackhays.com, ehays@ecf.courtdrive.com; kfrederick@ecf.courtdrive.com; cmendoza@marshackhays.com; cmendoza@ecf.courtdrive.com
- **ATTORNEY FOR CREDITORS AND PLAINTIFFS CAROLINA RAMIREZ, LINEY SILVA, LUIS ANGEL COLUNGA GOCABAR, MARGARITA HERNANDEZ, NELLY GONZALES, AND RIGOBERTO SAAVEDRA:** Ezra Kautz ekautz@crlaf.org, ezra-kautz-6645@ecf.pacerpro.com
- **ATTORNEY FOR CREDITOR WELLS FARGO BANK, N.A.:** Nancy L Lee bnknotice@mccarthyholthus.com, nlee@ecf.courtdrive.com
- **ATTORNEY FOR TRUSTEE JERRY NAMBA (TR):** Laila Masud lmasud@marshackhays.com, lmasud@ecf.courtdrive.com; kfrederick@ecf.courtdrive.com
- **TRUSTEE JERRY NAMBA (TR):** Jerry Namba (TR) jnambaepiq@earthlink.net, jnambalaw@yahoo.com; jn01@trustesolutions.net; paknamba@gmail.com
- **INTERESTED PARTY COURTESY NEF:** Reed H Olmstead reed@olmstead.law, olmstead.ecf@gmail.com; r41602@notify.bestcase.com; LawOfficesofReedHOlmstead@jubileebk.net
- **ATTORNEY FOR DEBTOR AND DEFENDANT MAHMOOD JAFROODI:** David Seror dseror@bg.law, ecf@bg.law
- **UNITED STATES TRUSTEE (ND):** United States Trustee (ND) ustpreion16.nd.ecf@usdoj.gov
- **ATTORNEY FOR CREDITOR FARM CREDIT WEST, FLCA:** Gerrick Warrington gwarrington@frandzel.com, sking@frandzel.com
- **ATTORNEY FOR CREDITOR AMERICAN EXPRESS NATIONAL BANK:** Gilbert B Weisman gweisman@becket-lee.com, bkelker@becket-lee.com
- **11/09/20 FILED A SUBSTITUTION OF ATTORNEY - ATTORNEY FOR DEBTOR MAHMOOD JAFROODI:** William E. Winfield wwinfield@calattys.com, scuevas@calattys.com